**SECTION 6.25 HEALTH INSURANCE**
**Last Update: 06/09**

## Types of Insurance and Specific Carriers

Health insurance is provided through Wellmark Blue Cross and Blue Shield. Blue Cross and Blue Shield coverage is available throughout the State although managed care organization (MCO) plan coverage availability depends on the employee's geographic location. Contact the personnel assistant for this information.

The State Police Officers Council (SPOC) has collectively bargained its own health and dental plan. Some of the information included here does not apply to employees covered under the SPOC collective bargaining agreement; however, the basic enrollment and eligibility rules would be applicable.

## Blue Cross and Blue Shield

Blue Cross and Blue Shield offers a traditional indemnity plan, a Preferred Provider Organization (PPO) plan and two MCOs. The traditional indemnity plans are Program 3 Plus and Deductible 3 Plus. The PPO plan is Iowa Select. These plans have an 11-month new employee pre-existing condition waiting period. This waiting period may be offset by proof of prior creditable coverage.

The MCOs provide medical and hospital services in defined geographic areas of the State. There are two types of MCOs – Primary Care MCOs and Open Access MCOs. The Primary Care MCO requires that an employee choose a primary care physician. Under the Primary Care plan some services are required to be performed by your PCP and you must have a referral to receive services outside the network. The Open Access MCO does not require referral from a primary care physician.

If an employee chooses to participate in an indemnity or PPO plan, the plan they are eligible for is based on their bargaining status. AFSCME, AFSCME Judicial, PPME, and non-contract Judicial branch employees are eligible for Program 3 Plus and Iowa Select. UE/IUP employees are eligible for Deductible 3 Plus and Iowa Select. Non-contract employees (excluding the Judicial Branch) are eligible for Deductible 3 Plus and Iowa Select.

## Eligibility

Full-time and part-time employees with probationary or permanent status who work 20 or more hours a week are eligible for health insurance coverage. Employees working 20 to 29 hours per week will receive a part-time benefit contribution. The State's share of the premium is one-half the amount paid for full-time employees. Employees who work 30 or more hours per week receive a full-time benefit contribution.

Temporary employees are not eligible for health insurance.

## Enrollment

Employees may enroll in a single or family coverage plan within the first 30 calendar days following employment. Dependents eligible for family coverage are the employee's spouse, domestic partner and dependent children. A dependent child must be unmarried and must be one of the following:

- Under age 19
- Between ages of 19 through 25, not a full-time student, and resides in the State of Iowa
- A full-time student in an accredited institution of postsecondary education regardless of age
- Totally and permanently disabled, physically or mentally, regardless of age. The disability must have existed before the dependent child turned age 25 or while the dependent child was a full-time student.

Part-time employees who initially elect not to have health insurance coverage and who subsequently change to full-time employment may elect coverage at that time. The employee will have the same eligibility and effective dates of coverage as a new employee.

**Effective Date of Coverage**

Insurance becomes effective on the first day of the month following 30 days of continuous employment (Example A). If the first day of employment is the first working day of the month, coverage is effective the first of the following month (Example B).

**Example A**

| | |
|---|---|
| Date employed: | June 22 |
| Application signed before: | July 20 |
| Effective date: | August 1 |

**Example B**

| | |
|---|---|
| Date employed: | September 3 (first working day in September) |
| Application signed before: | October 3 |
| Effective date: | October 1 |

**Changing Health Insurance Programs**

The annual Open Health Enrollment and Change period is a 30 day period normally beginning in October, with changes in coverage effective January 1. This is the one time of the year when employees can enroll in a health plan, select a different carrier, or change who is covered on their health plan.

When an employee enrolls in benefits, the benefit elections remain in effect to the end of the calendar year and no changes are allowed until the next enrollment and change period.

An employee cannot make any changes until the next enrollment and change period unless they experience a qualified life event and the benefit change requested is consistent with the event. For example, a marriage is a family status change that would allow a change from single health coverage to family coverage because acquiring a spouse is consistent with a gain in eligibility for health coverage.

Qualified events are defined by Section 125 of the Internal Revenue Code, based on individual circumstances and plan eligibility. This list may not apply to every benefit plan.

**EMPLOYEES MAY BE ABLE TO CHANGE BENEFIT ELECTIONS IF…**

- They have a change in legal marital status.
- They have a change in their number of dependents.
- They have a change in their employment status.
- Their spouse or dependent has a change in their employment status.
- Their dependent has a change in his or her eligibility status.
- They, their spouse or dependent has a change in residence.
- They, their spouse or dependent becomes entitled to Medicare or Medicaid.
- They are served with a judgment, order or decree.
- There is a change in cost by the dependent care provider.

This list may not apply to every benefit plan. For specific information, see the Life Event Matrix, located at the following DAS-HRE website:
https://das.iowa.gov/sites/default/files/hr/benefits/documents/life_events_matrix.pdf.

**SPECIAL ENROLLMENT UNDER HIPAA**

**Opportunities to enroll in coverage during the year** – Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), a special enrollment period for health insurance is available in the following circumstances. Employees may enroll in the health plan within 30 days of any of the following events:

- Adoption or placement for adoption
- Birth
- Loss of other health coverage
- Marriage

Employees may enroll in the health plan within 60 days of either of the following events:

- Employee or dependent loses eligibility under Medicaid or a State Children's Health Insurance Program (SCHIP, hawk-i)
- Employee or dependent becomes eligible for premium assistance from Medicaid a SCHIP or hawk-i

**Opportunities to change coverage during the year** – If already enrolled in a health plan, HIPAA allows an employee to add eligible family members to an already existing health plan AND enroll in a different health plan within 30 days of the following events:

- Adoption or placement for adoption
- Birth
- Loss of other health coverage
- Marriage
- Divorce or legal separation
- Death of spouse or dependent

**Other opportunities to change health plans during the year –** If already enrolled in a health plan, the following life events allow an employee to enroll in a different health plan regardless of whether they are adding eligible family members.

- Commencement of an unpaid leave of absence or FMLA leave in excess of 30 days
- Death of spouse or dependent
- Decrease in work hours from full time (30 or more hours per week) to part time (20-29 hours per week)
- Return from an unpaid leave of absence or FMLA leave in excess of 30 days

**Changing Your Coverage**

To change coverage when a qualifying event occurs **the employee must act within 30 days of the event (60 days in the case of birth or adoption)** for the change to be accepted; otherwise, they will have to wait for the next enrollment and change period in which they are eligible to participate and have the change become effective the following January 1. Employees may be asked to provide documentation of the change.

**Separations**

Employees who leave state employment will continue to have coverage through the last day of the month in which they separate.

Employees and their dependents who are separated for other than gross misconduct are eligible to continue coverage with the subsequent eligibility for conversion to a private policy. (See COBRA explanation that follows.)

**COBRA**

The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1986 requires that when certain "qualifying events" occur, employers that offer medical and dental benefit plans must provide covered employees, their spouses and dependents the option to continue group health benefit coverage beyond the

period when their coverage would normally end. A “qualifying event” is one which results in the State employee's loss of employment, reduction of work hours to a level no longer eligible for benefits, divorce, death of an employee, or a dependent reaches the maximum age for group coverage. To be eligible for continued coverage, the employee, spouse, or dependent of the employee must have been covered immediately prior to the qualifying event.

Under these circumstances, continued group coverage will be made available for a 36 month period (18 months for separation or reduction of hours or 29 months if disabled per the Social Security Administration at the time of termination).

This continued coverage option does not apply to individuals who are discharged from employment due to gross misconduct.

If an employee’s spouse’s, or dependent’s benefit coverage ceases because of separation or the employee’s death, the employee or the employee’s family will be notified regarding benefit continuation rights. In instances where coverage is lost due to divorce, legal separation, ineligibility of a dependent (i.e., the dependent marries or is otherwise no longer a dependent or reduction of work hours to a level that denies eligibility, it is important that the individual notify the personnel assistant so that notice of these rights can be sent to the individual(s). Individuals will have 60 days from the date of notification in which to elect continuation of coverage.

Individuals electing coverage under COBRA will be provided with the same coverage as that in effect at the time loss of coverage occurred. The full cost of the premium is the responsibility of the employee, spouse, or dependent(s). Continued coverage will remain in effect for the allowable 36, 29 or 18 month period, until cancelled by the covered individual. Coverage may be terminated prior to the allowed number of months, however, in the following instances:

1. The State no longer provides group health coverage to any of its employees.
2. The premium for continued coverage is not paid by the individual.
3. The individual becomes covered under another group health plan unless there are pre-existing conditions not covered by the plan.
4. The individual becomes eligible for Medicare.

At the end of the allowable continued coverage period, enrollment in a health conversion plan is available.

**Retirement and Disability Health Covered**

Employees approved for State group long term disability benefits, or employees leaving the payroll as a retiree, are eligible to remain in the State health insurance group as long as they assume responsibility for the total premium cost. Information and application procedures are available from the personnel assistant in the agency.

**Double Spouse Credit**

When spouses are employed by the State, at the option of the couple, one family plan may be elected. The State's contribution to double-spouse family coverage will be the full premium. When spouses are employed by the State and one spouse is a full-time employee and one spouse is a benefits-eligible part-time employee, at the option of the couple, one family plan may be elected. The State's contribution to the above stated double-spouse family coverage will not exceed the full family premium. If both spouses are benefits-eligible part-time employees, the State's share of the premium for each employee will be one-half of the State’s share of the full-time double-spouse family premium. When spouses are employed by the State, and one spouse is a non-Regents employee and the other spouse is a non-merit Regents employee, at the option of the couple, one family plan may be selected. The family plan selected shall come from those plans administered by the Department of Administrative Services.

**If both Spouses are Eligible Employees of the State**

When spouses are both employed by the State, they must enroll under the same family coverage. Employees cannot be covered as both an employee and a dependent under the State's health and welfare benefit plans. Employees have four coverage choices under the health plans:

- Each spouse may enroll separately in single coverage.
- One spouse may elect single coverage and the other spouse may enroll themselves and dependent(s) in family coverage. The spouse selecting single coverage may not be listed as a dependent on the family plan.
- One spouse may elect to waive coverage and the other spouse may enroll both spouses and dependent(s) in family coverage.
- Both spouses may elect family coverage for themselves and their dependent(s) under double-spouse family coverage with one spouse being the contract holder and one being the contributing spouse.

**Claims**

Doctors and hospitals who have contracts with Wellmark Blue Cross and Blue Shield (called "participating") file claims for the employee. When necessary, forms for filing claims are available from the personnel assistant in the agency or local Blue Cross and Blue Shield offices. Claims must be filed no later than one year following the year in which services were received.

If employees have questions concerning Blue Cross and Blue Shield coverage or payment of claims they should call the Blue Cross and Blue Shield State Employee Service Unit: in the Des Moines area (515) 245-5185; or toll-free at 1-800-622-0043.

For employees enrolled in MCOs, it is not necessary to file claims; however, employees should refer to the MCO plan materials for limitations regarding providers or services.

For further information contact the personnel assistant in the agency.